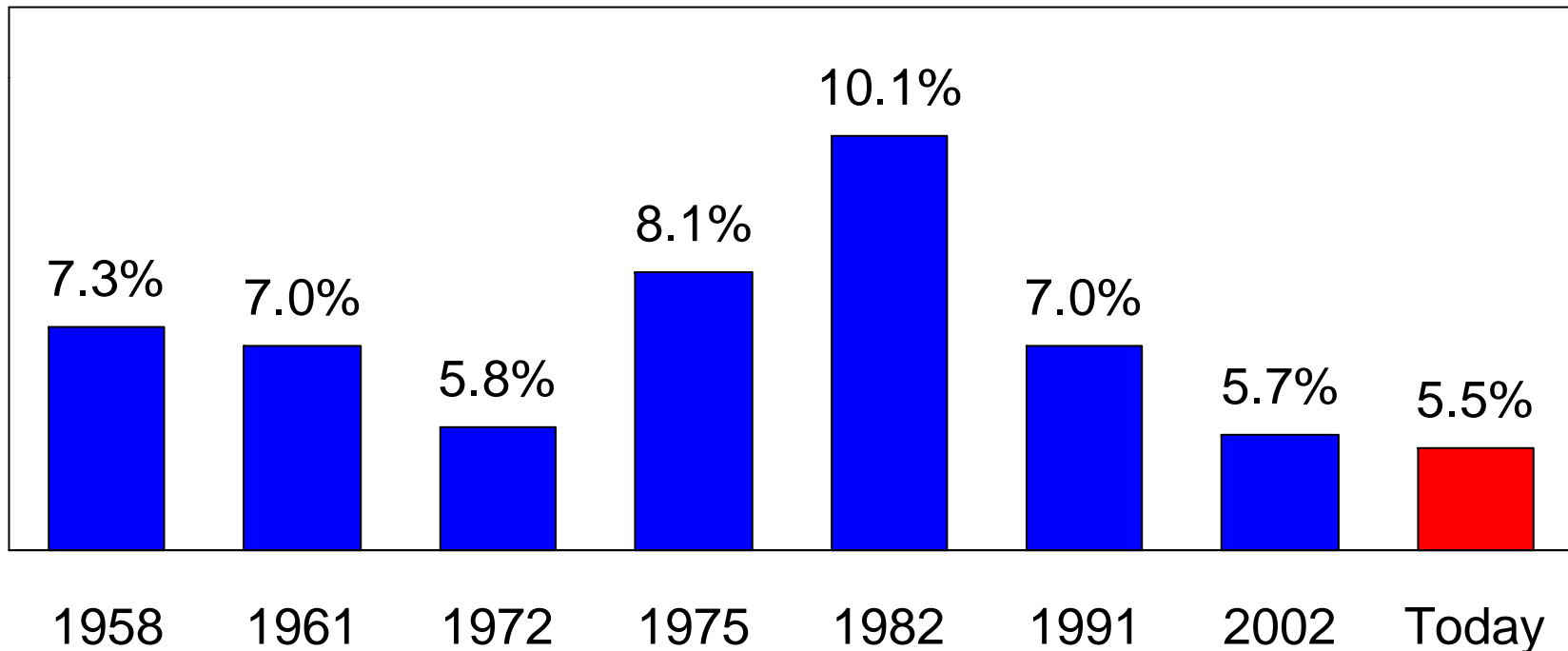


# Congress Has Never Extended Unemployment Benefits Nationwide At Today's Unemployment Rate

*Prepared by Republican Staff  
U.S. House Committee on Ways and Means  
June 2008*

# Congress Has **NEVER** Extended Unemployment Benefits at Today's Low Unemployment Rate

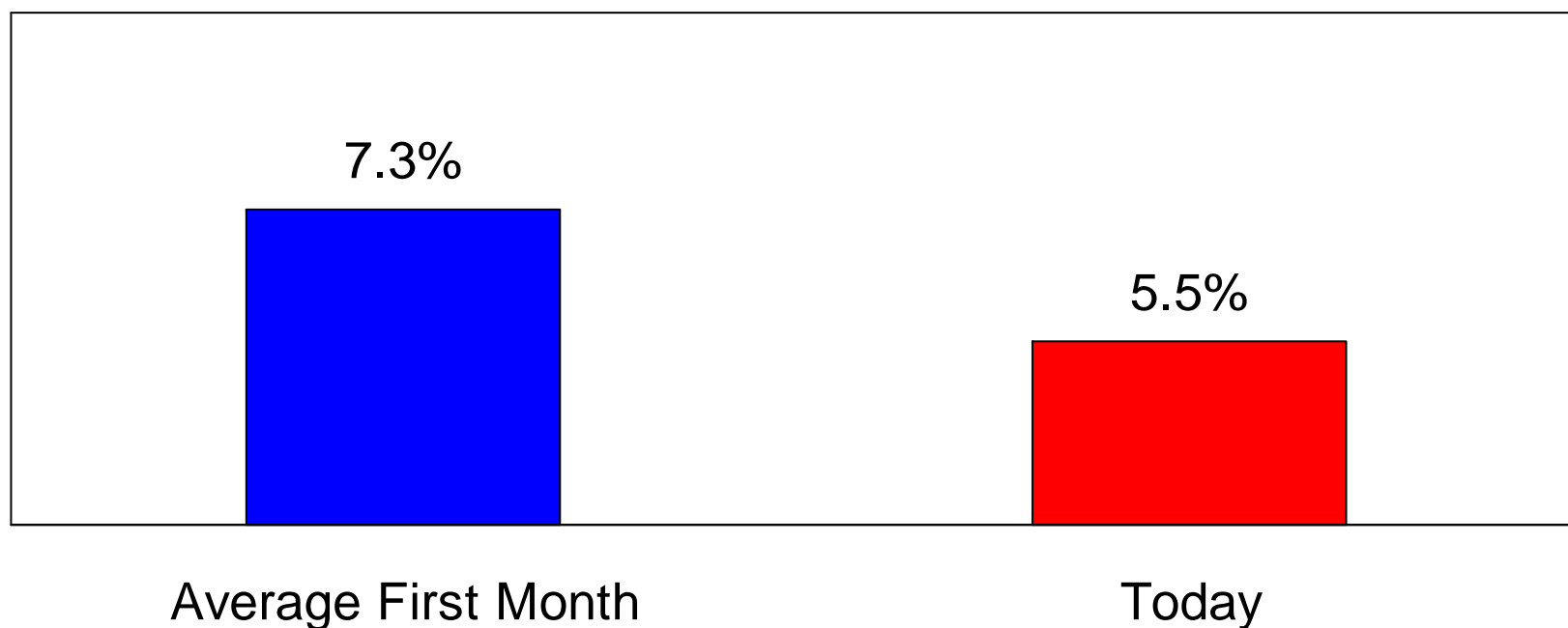
Unemployment Rate: First Month of  
Prior Extended Benefit Programs and Today



Source: US Department of Labor.

# Today's U.S. Unemployment Rate Is **SIGNIFICANTLY LOWER** Than Average Rate At Start of Prior Extended Benefit Programs

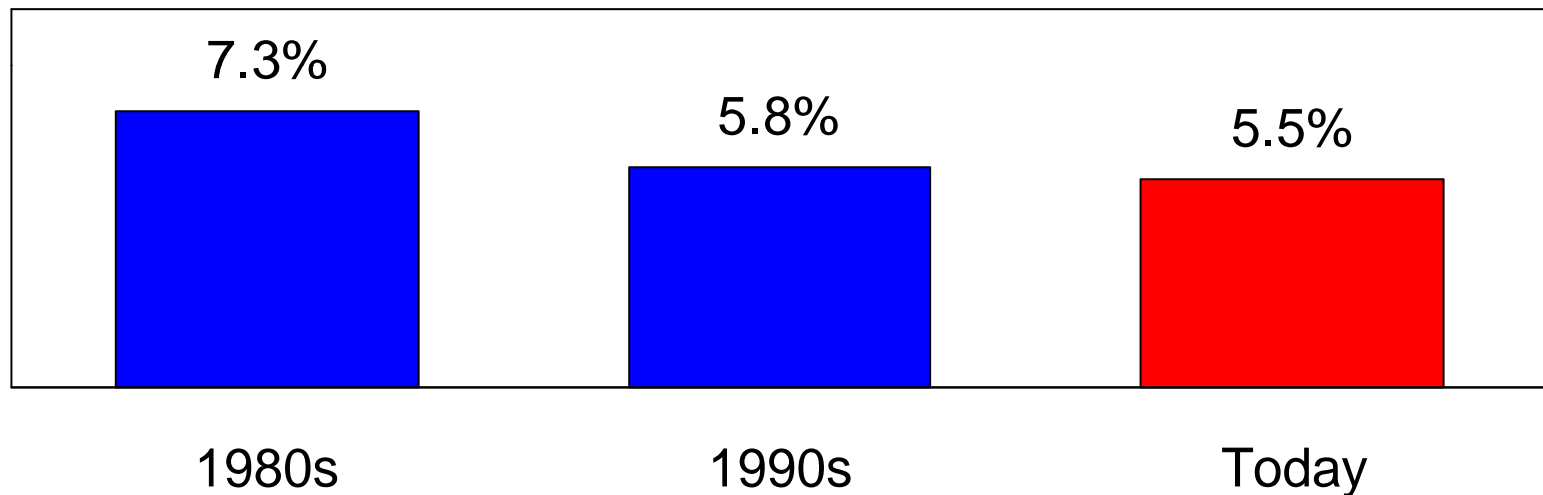
Average Unemployment Rate in First Month of Prior  
Extended Benefits Programs Far Higher Than Today



*Source: Staff calculation, based on US Department of Labor data.*

# Today's Unemployment Rate Is **BELOW** the Average for All of the 1980s and 1990s

Unemployment Rate: Recent Decades and Today



*Source: Staff calculation, based on U.S. Department of Labor data.*

Current Unemployment Rate Lower than 1996,  
When President Clinton Said Economy Was  
the *“Healthiest It Has Been in Three Decades”*

	<b>January 1996</b>	<b>May 2008</b>
Civilian Employment	126 million	146 million
Unemployment Rate	5.6%	5.5%

Source: US Department of Labor data and staff calculations.

# Even **AFL-CIO** SUPPORTS TARGETING Federal Extended Benefits

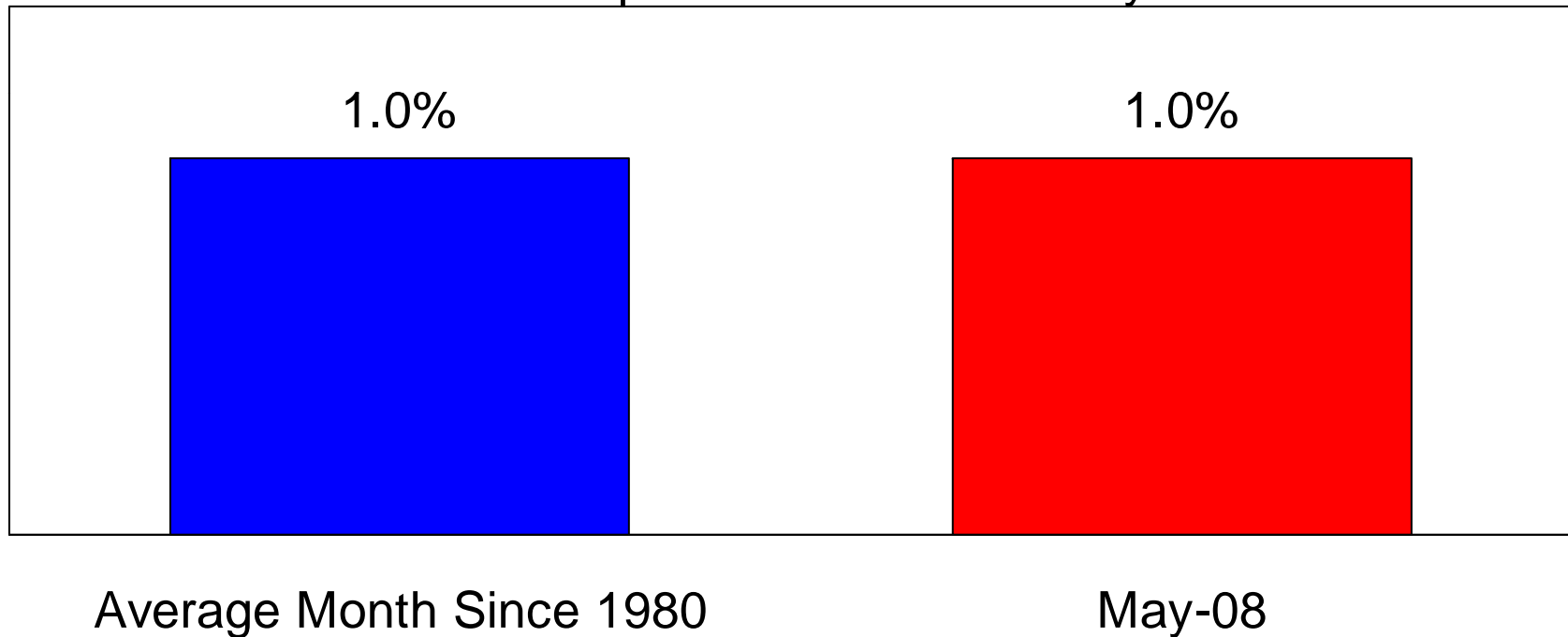
From AFL-CIO “Point of View” Rx for Recession: An Economic Strategy that Works:

*“(W)e propose a new, 100 percent federally funded program that goes into effect when unemployment reaches excessive levels. This program would extend benefits by 13 weeks when unemployment hits 5.5 percent and another 13 weeks when it reaches 6 percent, with the federal government paying the cost. But, if the best Congress can do is to reform Extended Benefits, then let’s make sure that, when the three-month national unemployment rate reaches 5.5 percent, the program is triggered in every state where joblessness has reached above 5 percent.”*

Source: [http://www.aflcio.org/mediacenter/speakout/lawrence\\_mishel.cfm](http://www.aflcio.org/mediacenter/speakout/lawrence_mishel.cfm) (undated, but still posted on website as of June 11, 2008)

# Current Long-Term Unemployment Rate Matches **THE AVERAGE** Since 1980

Long-Term Unemployment Rate: Average Monthly Rate  
Since 1980 Compared with Current May 2008 Rate



*Source: Department of Labor and staff calculations.*

# Unless Offset, H.R. 5749 Will **INCREASE BUDGET DEFICITS**

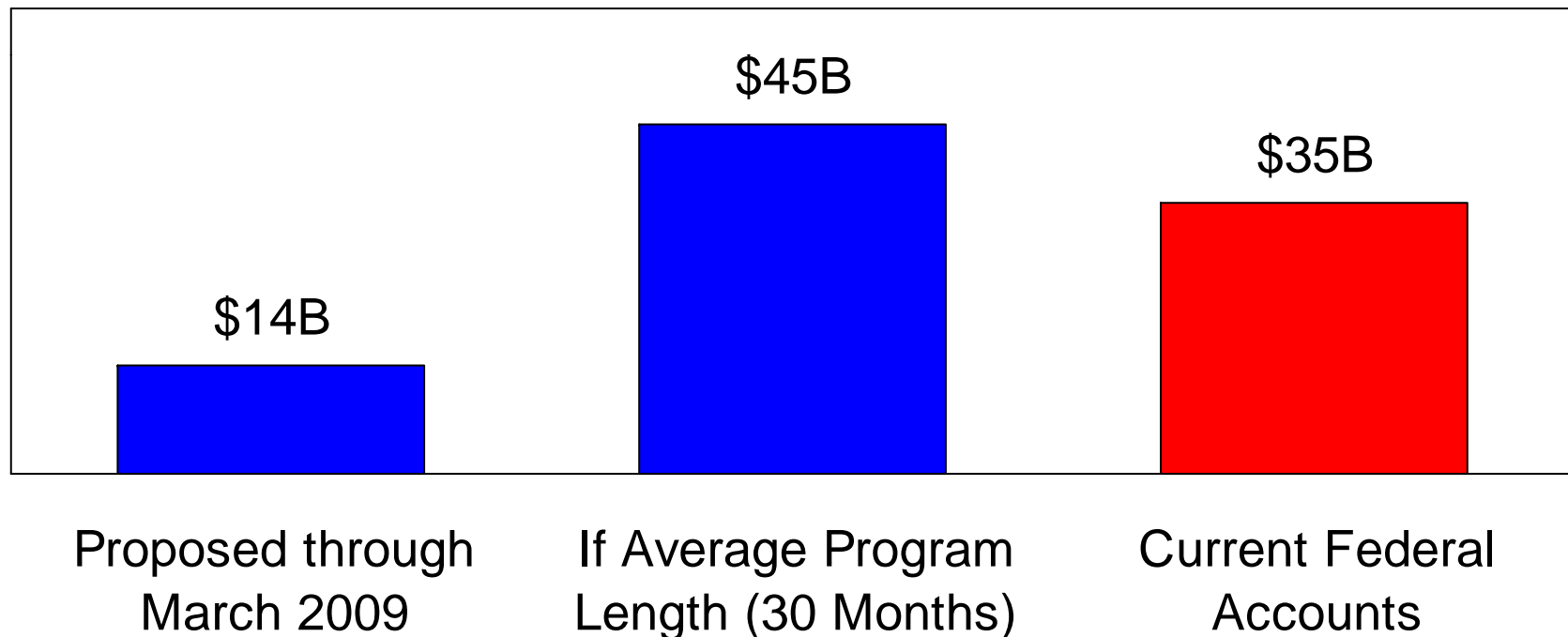
The CBO Cost Estimate of H.R. 5749 says:

*“In total, these changes would increase budget deficits (or reduce future surpluses)....”*



# H.R. 5749 Could **DRAIN FEDERAL UNEMPLOYMENT ACCOUNTS**

Total Cost of Untargeted Special Extended Benefits Programs under Potential Scenarios



*Source: Staff calculations, and Treasury Trust Fund data.*

# H.R. 5749 Will **EXTEND UNEMPLOYMENT**

The CBO Cost Estimate of H.R. 5749 says:

*“The availability of (extended) benefits may discourage recipients from searching for work and accepting less-desirable jobs as quickly as they would in the absence of this act. Thus, some recipients may remain unemployed for slightly longer than they would have otherwise, and direct spending for regular benefits would increase during 2008 and 2009.”*

# H.R. 5749 Will **INCREASE STATE TAXES**

The CBO Cost Estimate of H.R. 5749 says:

*“CBO estimates that some states would respond to the lower balances in their unemployment trust funds by increasing their unemployment taxes, resulting in an increase of \$0.6 billion in revenues over the 2009-2013 period.”*